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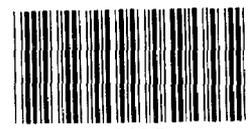
BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Director Office Of Personnel Management

Delegated Personnel Management Authorities: Better Monitoring And Oversight Needed

Encouraged by the Civil Service Reform Act of 1978, the Office of Personnel Management delegated many personnel authorities to Federal agencies. The act requires that the Office maintain an oversight program to protect merit system principles.

GAO found agencies generally were using the delegated authorities appropriately; however, some misuse occurred. To effectively curtail future misuses, the Office of Personnel Management needs to improve its monitoring and oversight.



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GAO/FPCD-82-43
AUGUST 2, 1982

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

B-206452

The Honorable Donald J. Devine
Director, Office of Personnel
Management

Dear Dr. Devine:

We have completed our review of the Office of Personnel Management's (OPM's) delegations of personnel authorities to Federal agencies. The delegations were encouraged by the Civil Service Reform Act of 1978 as a means of expediting appointments and other personnel actions. (For a list of authorities delegated, see app. I.) This review concentrated on those authorities not related to competitive examining. The delegation of examining authority was the subject of a separate report to you (GAO/FPCD-82-41, July 1, 1982).

Although agencies generally were using the authorities appropriately, some misuse has occurred. OPM could improve the effectiveness of delegations through better monitoring and oversight.

OBJECTIVES, SCOPE, AND METHODOLOGY

This assignment, performed during the period May 1981 to March 1982, was part of our continuing evaluation of major aspects of civil service reform. Our objectives were to (1) determine whether personnel actions were being expedited by the delegations of authority, (2) determine whether OPM was effectively managing and monitoring delegations, and (3) evaluate the appropriateness of agency uses of the delegated authorities.

We made our review in accordance with our Office's current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions." To obtain information on uses of the authorities, we sent a questionnaire covering 29 authorities--ones which we believed had the more significant effect on personnel activities and for which other information was generally not available--to the Departments of the Army, Navy, Air Force, Health and Human Services, Agriculture, and Treasury and to the Veterans Administration. These agencies employ about 70 percent of the nonpostal Federal civilian work force. Results of the questionnaire are included as appendix II.

Using criteria identified from statutory, regulatory, and OPM operating policy, we evaluated the appropriateness of 639 uses of 12 authorities at 12 locations in the 7 agencies noted above and the Environmental Protection Agency (see app. III). We primarily selected the biggest users of the most-used authorities for review.

We interviewed OPM officials at headquarters and the Eastern and Southwest Regional Offices 1/ and also headquarters and field officials at the other agencies noted above who were involved in managing and monitoring delegations or were responsible for specific personnel authorities. Also, we reviewed personnel records, OPM directives, negotiated delegation agreements, OPM delegation studies, and annual reports prepared by agencies on usage of certain authorities.

BACKGROUND

The Reform Act encouraged OPM to delegate personnel functions to other Federal agencies to expedite appointments and other personnel actions. The act required OPM to establish standards and maintain an oversight program to protect merit system principles. OPM officials believe the act did not expand existing OPM authority to delegate personnel management functions but merely established a policy encouraging more delegation than had occurred in the past.

As a result of this legislative encouragement, OPM, early in 1979, delegated 31 authorities to all agency headquarters and made available 24 additional authorities on an agency-by-agency negotiated basis. An additional authority was made available in July 1980. OPM considered the 31 authorities delegated to all agencies to be clearcut and straightforward and to have minimal labor-management relations implications. It encouraged agencies to redelegate these authorities to operating personnel officers and line managers whenever possible. It considered authorities made available on a negotiated basis to be more sensitive. Agencies' use and extent of redelegation of the negotiated authorities are governed by formal written agreements covering a 2-year period. Upon expiration, OPM can modify, suspend, or renew the agreement indefinitely on the basis of the outcome of the pre-renewal review of how the agency used the authorities.

OPM's standards require agency managers and personnel officials to insure that regulations, guidelines, and instructions are properly applied in all actions taken under delegated authorities. Additionally, agency personnel offices are required to

1/These two OPM regional offices had jurisdiction over the field activities included in the review.

keep certain basic records for each action taken under the delegated authorities for at least 2 years and to internally evaluate their use. Agencies are also required to submit annual reports to OPM on their use of certain negotiated authorities.

EXTENT TO WHICH DELEGATIONS ARE
MEETING OBJECTIVE IS UNKNOWN

The primary objective of delegating personnel authorities was to reduce processing times. While there are indications this objective is being met, it is difficult to determine the extent because of the lack of data. Predelegation information is limited because agencies were not required to keep such data. OPM officials and officials at the other agencies where we reviewed specific uses of the authorities generally believed processing times had been reduced. We agree that, for some authorities, processing times may have been reduced but question whether this has happened for authorities that have been infrequently used.

OPM attempted to measure the processing time reduction in one of its special studies; ^{1/} however, because of limited use or lack of data, it was able to develop information on only 7 authorities that were used both before and after delegation at 14 of 33 activities visited. OPM estimated that, for these seven authorities, processing times had been reduced by 64 percent. The estimate's reliability is questionable because in many cases only very limited comparisons could be made. For example, at one agency location, OPM compared the 10 days required to process one personnel action before delegation with the 1 day required to process one action after delegation and concluded that processing time for that authority, at that field activity, had been reduced by 90 percent. At another field activity, OPM compared the 42 days required to process one personnel action before delegation with the 11-day average required to process four actions after delegation and concluded that processing time for that authority, at that activity, had been reduced by 74 percent.

Agency officials at the 12 locations we visited said they believed processing time reductions were achieved, but to varying degrees--ranging from slight to substantial. However, they had no specific data to support their views.

Some of the authorities delegated are used so infrequently that they may not be contributing to overall processing time reductions. Three examples follow:

^{1/}"Special Study of Delegations of Authority" was conducted in two phases; phase one during the fourth quarter of fiscal year 1979, and phase two during the fourth quarter of fiscal year 1980.

- The authority permitting emergency indefinite appointments was not used in the 2 years prior to delegations, and no usage was reported by the seven departments or agencies covered by our questionnaire.
- The authority permitting exclusion of presidential appointees from annual leave and sick leave requirements was not used in the 10 years prior to delegation, and, according to OPM, very little, if any, usage was expected in the future.
- The authority permitting remote worksite commuting allowances was used only 5 times in the 2 years prior to delegation, and only 16 uses were reported by the seven departments or agencies covered by our questionnaire.

Delegations such as these were made because OPM believed that authority to exercise all personnel actions should be delegated unless there were requirements or other compelling reasons for it to retain direct control.

Since the basic purpose of delegations is to expedite personnel actions, we question the benefit of infrequently used delegations. Personnel officials who infrequently use an authority need to spend time researching and understanding the criteria and may have to request OPM's assistance. This seems particularly true for authorities requiring technical expertise, such as the remote worksite commuting allowance authority. More time may be spent using such authorities under the decentralized system than if such authorities were centrally controlled.

BETTER MONITORING OF AUTHORITIES
NEEDED TO IDENTIFY AND DETER MISUSE

Federal agencies we visited generally exercised delegated authorities properly, but some misuse occurred. OPM's monitoring efforts have not been of sufficient scope to identify and prevent misuse.

The Reform Act requires OPM to monitor agencies' use of delegated authorities to insure compliance with merit system principles. Although OPM established a monitoring program, its oversight activities have not provided adequate coverage of delegated personnel actions because

- site selection for reviews of agencies' use of authorities has not been systematic,
- annual reports agencies submitted to OPM on usage of certain negotiated authorities have not been fully utilized as a monitoring tool, and

--delegated authorities have often not been included in the agency personnel management evaluations made by OPM regional offices.

Site selection has not been systematic

Site selection has been a problem in several of OPM's monitoring efforts. Sites were chosen for the "Special Study of Delegations of Authority" when delegations had been in effect for only a short time. As a result, neither a representative sample nor an emphasis on locations with heavy use was possible. OPM broadened its "Special Study of Classification Accuracy and Grade and Pay Retention" to include reviews of seven authorities delegated to all agencies. Since the sites for this study had already been chosen, the degree of use of delegated authorities was not considered in their selection. As a result, the information on delegated authorities that the study could provide did not necessarily reflect extent of use. The usefulness of OPM's onsite reviews of agencies' use of negotiated authorities prior to renewal of the governing agreements has also been limited by the method of site selection. OPM headquarters staff did not identify which agency field offices had actually used the authorities. Instead, OPM asked its regional offices to volunteer to review field activities in their area. This meant that monitoring was not necessarily coordinated with extent of use.

Agency-submitted annual reports have not been fully used

OPM requires agencies to submit annual reports on their use of certain negotiated authorities. However, it has not made maximum use of the reports as a monitoring tool. OPM followup on overdue reports was inconsistent, and first-year reports were seldom used for oversight prior to pre-renewal reviews. Although program officers noted potential problems indicated in reports, they generally did not take action other than to make notes to be used during pre-renewal reviews. Agency Compliance and Evaluation Office personnel filed copies of the reports so they would be available for the renewal process but did not use the reports in the interim. OPM may have missed opportunities to correct agency errors more quickly. This practice could also create problems after an authority has been renewed indefinitely since it will no longer be subject to the pre-renewal review process.

Personnel management evaluations often have not included delegated authorities

OPM's regional offices are required to give special emphasis to the use of delegated authorities when conducting personnel management evaluations. However, instructions on how to incorporate reviews of delegated authorities into the personnel evaluations

were not issued to regional offices until December 1980--about 1.5 years after authorities were delegated. The regional offices we visited often did not examine the use of delegated authorities, either before or after these instructions were issued. In fiscal years 1980 and 1981, the Southwest Regional Office made 14 evaluations, none of which examined the use of delegated authorities. Before 1982, the Eastern Regional Office did not regularly include delegated authorities in its evaluations. However, in January 1982, the Eastern Regional Office's Assistant Chief for Agency Compliance and Evaluation said that the regional office had begun to do so.

Some delegated authorities
have been improperly used

OPM needs to have a strong monitoring program because agencies sometimes use authorities improperly. Several examples of misuse are discussed below.

One authority that was used incorrectly a number of times was the authority to extend temporary limited appointments for wage grade personnel beyond 12 months. The "Federal Personnel Manual" stipulates that the original appointment must be made to fill a temporary special need not expected to last beyond 12 months. Any extension must be to fill unexpected continuation of the employee's work. The Red River Army Depot used the authority 144 times, and in no instance did the agency meet the criteria for its use. Red River used both the original appointments and the extensions as a regular supplement to its permanent work force. The employees worked on any projects that came into their department, not on special needs. The Chief of Staffing and Services of the Army's Civilian Personnel Center said this practice may be occurring at other military installations. The Chief of Agency Relations in OPM's Southwest Regional Office indicated that civilian agencies employing wage grade employees may also be using this authority improperly.

We identified similar misuse of the authority for extension of 1-month temporary limited appointments for special needs. At the Department of Health and Human Services' New York Regional Office, these extensions were used in three instances to keep clerk-typists in positions until they completed the testing process and could be employed under direct-hire authority. No special need existed in any of the three cases.

We also found several improper uses of the authority permitting agencies to hire individuals at a salary rate above the minimum step for a particular grade if the candidate had superior qualifications or if the agency had a special need for the candidate's services--commonly referred to as advanced-in-hire authority. The salary the agency may offer is related to the

individual's current salary or the salary included in a firm offer from another employer. For example, the Department of Agriculture authorized the hiring of an unemployed individual to fill a General Schedule position at GS-15, step 5. The candidate had previously earned a salary high enough to justify the step 5 rate, but, because he was unemployed at the time the agency made the offer, and he did not indicate any competing offers, the step 5 rate should not have been paid.

In another case, the Department of the Army offered a GS-15, step 2, appointment to an engineer on the basis of the candidate's oral assurance that he had received a job offer from a university. We found no documentation that the Army verified the offer.

RECORDKEEPING REQUIREMENTS
NEED TO BE BETTER ENFORCED

To insure effective monitoring, OPM requires that agencies using delegated authorities maintain certain documentation. This documentation helps OPM to determine whether the authorities were appropriately used. In several instances, however, required documentation had not been maintained.

OPM requires that personnel offices maintain the following information on each use of a delegated authority:

- Type of action.
- Processing time.
- Name of the person authorizing the final action.
- A brief statement setting forth the rationale for the decision.

Personnel offices are required to have this documentation available for review for at least 2 years.

Some personnel offices maintained documentation supporting uses of delegated authorities in the individuals' official personnel folders, while others maintained the information in a separate file. The offices that did not use separate files were sometimes unable to provide us with the required documentation even though it had not been 2 years since the authority was used. In most cases, this occurred because the individuals were no longer at that location and the official personnel folder had been transferred or sent to storage. A more serious problem, however, existed at the Health and Human Services' New York Regional Office. We requested 56 personnel folders; 21 were made available, 15 others were for personnel no longer at that location, and the

remaining 20 simply could not be found. Our evaluation efforts at this regional office, therefore, had to be restricted to less than half of the cases in which the authorities were used.

We also found other instances where personnel offices had not maintained the required supporting documentation. For example, our evaluation efforts at Griffiss Air Force Base were restricted because the base had not maintained documentation on the rationale for using the delegated authority in 46 of its 79 uses that we reviewed. Also, the Red River Army Depot failed to maintain processing times for most of its uses of delegated authorities.

CONCLUSIONS

The lack of data makes it difficult to determine the extent to which the delegation of personnel management authorities has reduced processing times. Those authorities that are rarely used may not be contributing to reducing processing times. Considering this, and the time needed for monitoring such authorities, the benefit of delegating minimally used authorities becomes questionable.

Agencies generally were using the authorities appropriately; however, some misuses occurred. To effectively curtail future misuses, OPM needs to improve the scope of its monitoring efforts. OPM has not (1) targeted its reviews of delegated authorities to the installations that have used them the most, (2) fully used agency-submitted annual reports as a monitoring tool, (3) regularly monitored the uses of delegated authorities during personnel management evaluations, or (4) effectively enforced its recordkeeping requirements.

RECOMMENDATIONS

We recommend that, to improve the effectiveness of delegations of personnel management authorities, the Director, OPM,

- systematically select, based on usage, agency locations for oversight reviews;
- enforce the existing requirement that regional offices include reviews of delegated personnel authorities in their personnel management evaluations;
- review annual reports and investigate possible misuses promptly; and
- enforce the recordkeeping requirements.

We recommend also that the Director, OPM, determine the extent of, and correct the various misuses of, delegated authorities discussed in this report.

AGENCY COMMENTS AND OUR EVALUATION

Comments of the Departments of the Treasury and Health and Human Services and the Veterans Administration are in appendixes IV, V, and VI. OPM did not submit its comments in time to be evaluated. However, OPM's comments have been included as appendix VII.

The Department of the Treasury expressed concern that targeting oversight reviews to agency locations that have used the authorities the most, while cost effective, overlooks less frequent users and smaller activities. To insure that smaller activities and infrequent users are not overlooked in the evaluation effort, the Department said agencies need to make use of their own personnel management staff capabilities in a continuing program of internal evaluation.

We agree that, to effectively monitor uses of delegated personnel management authorities, agencies must internally evaluate their own uses and act on any problems that might be found. This forms the base of all effective monitoring programs. Oversight reviews, by their nature, cannot be expected to be all-encompassing.

The Department of Health and Human Services questioned the validity of our observations on infrequently used authorities. In general, it believes that agencies may be able to use and process certain infrequently used authorities more expeditiously than going through OPM. It cites itself as an example with its use of the authority to permit remote worksite commuting allowances. While we agree that this may be true with certain authorities, on a case-by-case basis, we continue to believe that, collectively, an infrequently used authority contributes little, if any, to reducing overall processing time.

The Department of Health and Human Services also stated our report gave the impression there was widespread misuse of the authority permitting extension of 1-month temporary limited appointments for special needs at its New York Regional Personnel Office. This report now states that the Office had used this authority only three times; however, in each instance the authority was used inappropriately.

The Veterans Administration anticipated no effect on its use of delegated personnel-related authorities if OPM implemented our recommendations.

- - - -

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations. This written statement must be submitted to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report. A written statement must also be submitted to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the Chairmen, House Committee on Government Operations, Senate Committee on Governmental Affairs, and House Committee on Post Office and Civil Service; other interested committees and subcommittees of the Congress; and the agencies mentioned in the report.

We wish to thank you and your staff for the cooperation we received during our review.

Sincerely yours,


Clifford I. Gould
Director

PERSONNEL AUTHORITIES DELEGATEDBLANKET AUTHORITIES

1. Extension of appointment of graduate students in scientific, analytic, or professional positions.
2. Extension of details beyond 120 days.
3. Appointment of experts and consultants.
4. Extension of 1-month temporary limited appointments for special needs.
5. Appointment based on service in the Office of the President, Vice President, or White House staff.
6. Appointment based on legislative or judicial service.
7. Waiver of limitation on appointment of retired military personnel within 180 days of discharge.
8. Waiver of reduction of military retirement pay.
9. Dual employment: Pay for more than one position for more than 40 hours a week.
10. Payment for travel and transportation to first post of duty for GS-16s and above.
11. Exclusion from General Schedule and approval of maximum stipends for certain student employees.
12. Approval of agency requests to extend reduction-in-force notice period beyond 180 days.
13. Exclusion of presidential appointees from annual leave and sick leave.
14. Noncompetitive appointment of certain disabled veterans.
15. Approval of positions in Federal mental institutions when filled by former mental patients.
16. Appointment of certain local physicians, surgeons, or dentists on a part-time, contract, or fee basis.
17. Approval when filling shortage positions with prison inmates on work release programs.

18. Approval when hiring national science contest finalists as summer interns.
19. Emergency indefinite appointments.
20. Overseas limited appointments.
21. Extension beyond 1 month of emergency appointments of family members.
22. Conversion to career employment of certain employees serving on indefinite or TAPER 1/ appointments.
23. Extension of temporary limited appointment authority beyond 12 months for certain wage grade positions.
24. Approval of alternate standards for motor vehicle operators.
25. Waiver of road test for motor vehicle operators.
26. Appointment of severely handicapped or mentally retarded sons and daughters for summer or student employment.
27. Assignment of excepted employees (schedules A and B) to competitive positions.
28. Remote worksite commuting allowances.
29. Controls on non-Government training for employees.
30. Approval when filling certain positions with severely physically handicapped persons.
31. Approval of training plans for disabled veterans.

NEGOTIATED AUTHORITIES

1. Establishment of excepted positions (schedule C only). 2/
2. Modification of selection procedures for excepted positions.
3. Detail of excepted employees to competitive positions (schedule C only).
4. Competitive examining.

1/Temporary appointment pending establishment of the "Register."

2/This authority was withdrawn on July 31, 1981.

5. Approval of selective and quality ranking factors.
6. Veterans passover (medical/suitability/other).
7. Ruling on objections to eligibles.
8. Suitability and loyalty adjudications on applicants.
9. Appointment of aliens in the competitive service.
10. Conversion to career of employees formerly within reach on a register.
11. Restriction of consideration to one sex.
12. Waiver of time-in-grade requirements.
13. Rare bird.
14. Noncompetitive conversion of incumbents whose positions are brought into the competitive service.
15. Advanced-in-hiring rates based on superior qualifications.
16. Payment of travel for interview (GS-13s and below).
17. Training agreements.
18. Agency consultation on classification actions in reductions affecting 20 or more positions.
19. Establishing smaller competitive areas in reduction in force.
20. Onsite evaluation function.
21. Controls on non-Government facility training.
22. Exceptions to prohibition on payment of premium pay for periods of training.
23. Exceptions to training restrictions of title 5, United States Code, chapter 41 (not covered by other delegations).
24. Term promotions.
25. Payment for travel and transportation to first post of duty (GS-15s and below).

DELEGATED AUTHORITIES INCLUDED ON GAO
QUESTIONNAIRE AND REPORTED USAGE FOR THE PERIOD
BETWEEN ACTIVATION (NOTE a) AND SEPTEMBER 15, 1981

| <u>Blanket authorities</u> | <u>Army</u> | <u>Navy</u> | <u>Air Force</u> | <u>Health and Human Services</u> | <u>Agriculture</u> | <u>Treasury</u> | <u>Veterans Administration</u> | <u>Total</u> |
|---|-------------|-------------|----------------------|--|--------------------|-----------------|------------------------------------|--------------|
| Extension of appointment of graduate students in scientific, analytic, or professional positions | 16 | 6 | 0 | 48 | 26 | 0 | 20 | 116 |
| Extension of details beyond 120 days | 1,114 | 663 | 176 | 400 | 465 | 73 | 205 | 3,096 |
| Extension of 1-month temporary limited appointments for special needs | 279 | 237 | 153 | 124 | 228 | 18 | 765 | 1,804 |
| Appointment based on service in the Office of the President, Vice President, or White House staff | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 3 |
| Appointment based on legislative or judicial service | 1 | 3 | 3 | 7 | 6 | 2 | 6 | 28 |
| Waiver of limitation on appointment of retired military personnel within 180 days of discharge | 344 | 634 | 114 | 0 | 0 | 0 | 0 | 1,092 |
| Waiver of reduction of military retirement pay | 5 | 7 | 2 | 0 | 0 | 0 | 8 | 22 |
| Dual employment: Pay for more than one position for more than 40 hours a week | 1 | 56 | 0 | 1 | 0 | 0 | 0 | 58 |
| Payment for travel and transportation to first post of duty for GS-16 and above | 1 | 0 | 5 | 22 | 11 | 9 | 0 | 48 |
| Exclusion from General Schedule and approval of maximum stipends for certain student employees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Approval of agency requests to extend reduction-in-force notice period beyond 180 days | 0 | 0 | 7 | 0 | 0 | 0 | 1 | 8 |
| Noncompetitive appointment of certain disabled veterans | 265 | 65 | 48 | 3 | 6 | 0 | 144 | 531 |
| Approval of positions in Federal mental institutions when filled by former mental patients | 0 | 0 | 1 | 50 | 0 | 0 | 10 | 61 |
| Appointment of certain local physicians, surgeons, or dentists on a part-time, contract, or fee basis | 276 | 0 | 25 | 0 | 0 | 0 | 162 | 463 |
| Approval when filling shortage positions with prison inmates on work release programs | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |

| <u>Blanket authorities</u> | <u>Army</u> | <u>Navy</u> | <u>Air Force</u> | <u>Health and Human Services</u> | <u>Agriculture</u> | <u>Treasury</u> | <u>Veterans Administration</u> | <u>Total</u> |
|--|--------------|--------------|------------------|----------------------------------|--------------------|-----------------|--------------------------------|---------------|
| Approval when hiring national science contest finalists as summer interns | 0 | 0 | 0 | 2 | 5 | 0 | 0 | 7 |
| Emergency indefinite appointments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overseas limited appointments | 287 | 0 | 902 | 0 | 0 | 0 | 0 | 1,189 |
| Extension beyond 1 month of emergency appointments of family members | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 5 |
| Conversion to career employment of certain employees serving on indefinite or TAPER appointments | 18 | 19 | 18 | 10 | 129 | 3 | 35 | 232 |
| Extension of temporary limited appointment authority beyond 12 months for certain wage grade positions | 2,642 | 2,490 | 983 | 64 | 373 | 17 | 641 | 7,210 |
| Appointment of severely handicapped or mentally retarded sons and daughters for summer or student employment | 29 | 12 | 35 | 6 | 7 | 0 | 13 | 102 |
| Assignment of excepted employees (schedules A and B) to competitive positions | 159 | 71 | 117 | 146 | 6 | 12 | 53 | 564 |
| Remote worksite commuting allowances | 0 | 0 | 0 | 12 | 4 | 0 | 0 | 16 |
| Approval when filling certain positions with severely physically handicapped persons | 644 | 479 | 267 | 255 | 118 | 46 | 335 | 2,144 |
| Approval of training plans for disabled veterans | 25 | 0 | 10 | 0 | 21 | 0 | 75 | 131 |
| <u>Negotiated authorities</u> | | | | | | | | |
| Advanced-in-hiring rates based on superior qualifications | 212 | 410 | 86 | 63 | 66 | 42 | 22 | 901 |
| Establishing smaller competitive areas in reduction in force | 3 | 0 | 5 | 1 | 0 | 0 | 0 | 9 |
| Exceptions to prohibition on payment of premium pay for periods of training | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Total | 6,324 | 5,153 | 2,957 | 1,214 | 1,476 | 223 | 2,496 | 19,843 |

a/Date of activation varies between authorities and agencies, generally; however, it was in the early part of 1979.

ACTIVITIES REVIEWED

Health and Human Services Headquarters, Washington, D.C.
Health and Human Services Regional Office, New York, N.Y.
Health and Human Services Regional Office, Dallas, Tex.
Department of Army Headquarters, Washington, D.C.
Red River Army Depot, Department of the Army, Texarkana, Tex.
Department of Navy Headquarters, Washington, D.C.
Griffiss Air Force Base, Department of the Air Force, Rome, N.Y.
Veterans Administration Headquarters, Washington, D.C.
Veterans Administration Regional Office, New York, N.Y.
Department of Agriculture Headquarters, Washington, D.C.
Department of Treasury Headquarters, Washington, D.C.
Environmental Protection Agency Headquarters, Washington, D.C.



ASSISTANT SECRETARY

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

JUN 16 1982

Dear Mr. Anderson:

This is in reply to your letter of 19 May, 1982, which transmitted copies of your draft report entitled "Delegated Personnel Authorities: Better Monitoring and Oversight Needed" (GAO/FPCD-82-43).

We have only a few general comments to offer regarding the draft report, since your findings are drawn from several major agencies and the draft report does not specifically address your work within Treasury.

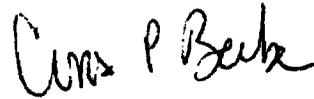
Your review concentrated on the largest users of the delegated personnel authorities selected for study. Similarly, your first recommendation for OPM's consideration calls for that agency to target its oversight reviews among installations that have used the authorities the most. While this is undoubtedly a cost-effective method of evaluation targeting, we would like to suggest that the potential for misuse may be as great or greater among the less frequent users and smaller activities. Such activities should not be overlooked in the evaluation effort. To assure that they are not, agencies should make use of their own personnel management staff capabilities in a continuing program of internal evaluation at all levels. We plan to do this within Treasury.

[3] [4]

We agree with your observation at pages 6 and 7 of your report that there is little or no benefit to be derived from the most infrequently used delegations. The research and technical expertise needed to exercise rarely used authorities tend to defeat the purposes of delegation in terms of improved timeliness and ease of operations. It would probably be better for OPM to retain such authorities.

We appreciate the opportunity to comment, and we hope your contacts within Treasury were productive.

Sincerely,



Cora P. Beebe
Assistant Secretary
(Administration)

Mr. William J. Anderson
Director
General Government Division
U.S. General Accounting Office
Washington, D.C. 20548

GAO note: Page references in brackets refer to pages in this report.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

JUN 16 1982

Mr. Gregory J. Ahart
Director, Human Resources
Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft of a proposed report "Delegated Personnel Management Authorities: Better Monitoring and Oversight Needed." The enclosed comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,


Richard P. Kusserow
Inspector General

Enclosure

COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON GAO'S DRAFT REPORT, "DELEGATED PERSONNEL MANAGEMENT AUTHORITIES: BETTER MONITORING AND OVERSIGHT NEEDED."

We have reviewed the draft GAO report on OPM's delegations of personnel authorities to Federal agencies. Although there are no recommendations for the Department of Health and Human Services, we do have a few comments about the draft report.

[3] [4]

- On pages 6 and 7 of the report, GAO discusses the advisability and questions the benefit of infrequently used delegations of authority. They conclude that: "More time may be spent using such authorities under the decentralized system than if such authorities were centrally controlled." This is a questionable conclusion, contingent on the paper work involved and how long it would take OPM to process a request. Furthermore, if only one or two agencies are using a delegated authority, those agencies may become more expert in its use and process actions more quickly than OPM. One example of this is contained in the GAO report. GAO noted that the authority to permit remote worksite commuting allowances was used only 16 times by the seven departments/agencies covered by their questionnaire. Referring to Enclosure II, we learn that only two agencies were found to have used this authority: HHS used it 12 times, and Agriculture used it four times. We are confident that we are becoming skilled and expeditious in the use of this authority.

[6]

- On page 10, GAO states that our New York Regional Personnel Office (RPO) misused the authority for extension of one-month temporary limited appointments for special needs. The impression given is that there was widespread misuse of this authority by the New York RPO. We have identified three appointments - of the many hundreds of accessions made in the New York RPO - using this delegated authority. GAO may want to put this point in perspective by noting that the New York RPO made very limited use of this authority.

[7] [8]

- On page 12, GAO reports that the Regional Personnel Office had a serious problem because more than half of the 56 personnel folders which GAO requested for review could not be located. This situation is not as serious as it may seem:
 - o 15 of the folders requested were for personnel no longer with the office; thus 41 folders should have been available.
 - o 21 folders were provided.
 - o 20 folders "could not be located," although those 20 could have been in other offices (e.g., in the satellite office in San Juan, Puerto Rico or the Northeastern Program Service Center in Rego Park) or they could have been removed from the file due to ongoing RIFs, reorganizations and other mass projects.

Page 2 - COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON GAO'S
DRAFT REPORT, "DELEGATED PERSONNEL MANAGEMENT AUTHORITIES:
BETTER MONITORING AND OVERSIGHT NEEDED."

Nevertheless, we agree that the personnel files maintained by the
New York RPO could be more tightly controlled, and we have taken
appropriate actions to better control them.

We will distribute copies of the GAO report to appropriate supervisory
staff and request that they take actions to correct any deficiencies that may
exist within their area of responsibility.

GAO note: Page references in brackets refer to pages in this
report.

Office of the
Administrator
of Veterans Affairs

Washington, D.C. 20420



JUNE 16 1982



Mr. Gregory J. Ahart
Director, Human Resources Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Ahart:

Thank you for the opportunity to review the May 19, 1982, draft report, "Delegated Personnel Management Authorities: Better Monitoring and Oversight Needed," FPCD-82-43.

The Veterans Administration (VA) routinely reviews records related to the use of personnel management authorities during onsite personnel management evaluation audits. Facilities in need of improved recordkeeping are promptly notified.

The VA anticipates no impact on the use of delegated personnel-related authorities if the Office of Personnel Management implements the General Accounting Office recommendations.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Robert P. Nimmo'.

ROBERT P. NIMMO
Administrator



United States
Office of
Personnel Management

Washington, D.C. 20415

JUL 2 1982

In Reply Refer To

Your Reference

Honorable Charles A. Bowsher
Comptroller General
General Accounting Office
Washington, D. C. 20548

Dear Mr. Bowsher:

Thank you for the opportunity to review the draft report entitled, "Delegated Personnel Management Authorities: Better Monitoring and Oversight Needed" (GAO/FPCD-82-43). I assure you that we share your concern that agencies make proper use of personnel authorities delegated to them following the passage of the Civil Service Reform Act. As you know, we have made a number of reviews over the past 2 years of agency use of delegated personnel authorities.

In the 4th quarter of FY 1980, we conducted Phase II of the Special Study of Delegations of Authority. In Phase II, we visited 33 installations, representing a cross-section of Government, and reviewed all actions (526) taken under delegated authorities. We found violations of regulations in ten cases (1.9%). All violations were corrected onsite. In addition, we found recordkeeping deficiencies in 18 cases (3.4%). Violations and recordkeeping deficiencies may have been unusually low in this review, however, since the installations knew they were part of a special study and that they would be closely audited.

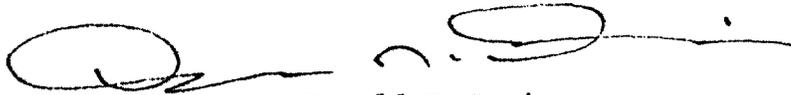
As part of the Special Study of Classification Accuracy and Grade and Pay Retention, which was conducted in 1981, we looked at five delegated personnel authorities which were either heavily used or had potential for serious abuse. We reviewed 742 personnel actions that had been taken under these authorities in 80 installations that had been scientifically selected to represent the Federal Government as a whole. We found that 44 (5.9%) of the actions processed under these authorities were substantively incorrect, i.e., the actions should not have been taken. We found an additional 78 actions (10.5%) that were processed improperly, although otherwise correct. A total of 199 actions (26.8%) were not properly documented.

In addition to these special studies, we have conducted onsite audits of each negotiated authority used by an agency prior to the 2-year renewal. We have also reviewed delegated authorities in each of our agency-wide evaluations conducted in the past 2 years.

We have found, for the most part, that agencies have generally used these authorities properly. Where misuses have been found, they have been on individual cases as opposed to systemic abuse.

We differ with several conclusions expressed in the report, such as those with respect to the selection of sites to monitor delegated authorities, the use made of agency-submitted annual reports, and the enforcement of recordkeeping requirements. We would like to meet with your staff to discuss these matters. Len Kill Kelley, Chief of the Analysis and Development Division, Agency Compliance and Evaluation, would be happy to arrange such a meeting. He can be reached on 632-4466.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald J. Devine". The signature is fluid and cursive, with a large loop at the beginning and a long horizontal stroke extending to the right.

Donald J. Devine
Director

(966028)

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